



भारतीय सनदी लेखाकार संस्थान
(संसदीय अधिनियम द्वारा स्थापित)
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

PRG/293/18-DD/101/2019-DC/1475/2021

[DISCIPLINARY COMMITTEE [BENCH-II (2024-2025)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

ORDER UNDER SECTION 21B (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH
RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF
PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

[PRG/293/18-DD/101/2019-DC/1475/2021]

In the matter of:

Mr. Rajendra Kumar
Additional Director General
Directorate General of GST Intelligence,
Jaipur Zonal Unit, C-62, Sarojini Marg,
C-Scheme
JAIPUR -302001.

.... Complainant

Versus

CA. (Ms.) Himani (M. No. 521974)
Plot no. 27, Nand Vihar Colony, Sawai Gaitor,
Jagatpura, Near Terminal-2 Airport
JAIPUR -302001.

.....Respondent

Members Present:-

CA. Ranjeet Kumar Agarwal, Presiding Officer (in person)
Mrs. Rani S. Nair, IRS (Retd.), Government Nominee (through VC)
Shri Arun Kumar, IAS (Retd.), Government Nominee (through VC)
CA. Sanjay Kumar Agarwal, Member (in person)
CA. Cotha S Srinivas, Member (in person)

Date of Hearing : 28th March, 2024
Date of Order : 17th June, 2024

1. That vide Findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was, inter-alia, of the opinion that CA. (Ms.) Himani (M. No. 521974), Jaipur (hereinafter referred to as the 'Respondent') is GUILTY of Professional and Other Misconduct falling within the meaning of Item (2) of Part IV of First Schedule and Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication was addressed



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to her thereby granting opportunity of being heard in person / through video conferencing and to make representation before the Committee on 28th March 2024.

3. The Committee noted that on the date of the hearing held on 28th March 2024, the Respondent was present in person before it and made her verbal representation on the Findings of the Disciplinary Committee, inter-alia, stating that she was neither involved directly nor indirectly. She had not done anything with mala-fide intention and had not received any monetary benefit directly, indirectly, or circumstantially. She again submitted a notarised Affidavit dated 17th January 2024 bringing on record certain facts which according to her were never brought on record by the GST Department while filing the complaint before the Disciplinary Directorate. The GST Department conducted Search at her home thrice, but they did not find any conclusive evidence against her. Thus, she requested for a lenient view in her case. The Committee also noted that the Respondent in her written representation on the Findings of the Committee, inter-alia, stated as under:

(a) The Respondent was not involved in any manner otherwise than as a Consultant in the process of registration of the alleged firms under GST Act, 2017 and charged the clients for professional fees only.

(b) Any Consultant who is involved only to the extent of registration and filling of return on the basis of data supplied by the management of the concern cannot have any information on the intended use of such firm by the management unless the Consultant is also part of the management which is not the case here, since no such positive evidence have been produced by the Department so far.

(c) As far as Knowledge of the Respondent is concerned, a Chartered Accountant in practice is free to let his/her property on rent to anyone without any prior approval of the Institute.

(d) There is no such evidence gathered by the Complainant Department that the Respondent has actually done any misuse of any of the ids/documents to be believed in her possession being a Chartered Accountant "OTHERWISE THAN STATEMENTS" of some persons.

(e) No conclusion should be drawn merely on the basis of statements of anyone including the Respondent unless the same is supported with corroborative evidence obtained by following legal process.

(f) The role of the Respondent was limited to filling of periodical return under GST Law on the basis of data supplied by the management of the said concerns and the Form is verified at GST Portal by the management of the concern. Therefore by no stretch of imagination, it could be said that the Respondent has caused any loss to the Government Exchequer, since the Respondent has no capacity or control to pass on the credit of Input Tax credit(ITC) to any person which is ultimately the responsibility of the Department to allow/disallow credit of Input Tax credit(ITC) to any person.

(g) The Respondent has already retracted her Statement dated 17.06.2020 on 22.06.2020. The Respondent prepared the retraction on the expert advice of her Lawyer. The form and content are not much relevant rather the fact that the Respondent intended to retract her Statement. The Department or Hon'ble Trial Court has not objected to the retraction of the Respondent.



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(h) The case of the Respondent should be viewed from a lenient angle since, this is the first complaint of her career as a Chartered Accountant. The Respondent has already suffered imprisonment of 1.5 Years and also at the time when she had a small baby. The Respondent has already suffered huge financial loss in the form of legal expenses.

(i) The Respondent is still suffering from the mental trauma caused due to this case. The matter of Complaint in this case is also pending at the Hon'ble Trial Court for adjudication and till date no positive/negative decision has been pronounced by the Hon'ble Court.

4. The Committee considered the reasoning as contained in the Findings holding the Respondent Guilty of Professional and Other Misconduct vis-à-vis written and verbal representation of the Respondent.

4.1 On consideration of the representation of the Respondent, as regards the plea of the Respondent that the Criminal proceedings on the same charges are pending, the Committee viewed that Criminal proceedings are distinct from Disciplinary proceedings. The proceedings before the Disciplinary Committee are quasi-judicial in nature where the misconduct can be proved by preponderance of probabilities having regard to the conduct of the Respondent which is distinct from Criminal proceedings where the misconduct has to be proved beyond reasonable doubt. While coming to the said view, the Committee took into consideration the decision of the Hon'ble Supreme Court in the matter of "**Ajit Kumar Nag -vs- General Manager (PJ) Indian Oil Corporation Limited-AIR 2005 SC 4217** wherein the Hon'ble Apex Court held as under:-

"The degree of proof which is necessary to order a conviction is different from the degree of proof necessary to record the commission of delinquency. The rules relating to appreciation of evidence in the two proceedings is also not similar. In criminal law, burden of proof is on the prosecution and unless the prosecution is able to prove the guilt of the accused 'beyond reasonable doubt he cannot be convicted by a Court of law. In a departmental enquiry penalty can be imposed on the delinquent Officer on a finding recorded on the basis of 'preponderance of probability'."

4.2 Similarly in the matter of **Capt. M Paul Anthony -vs- Bharat Gold Mines Limited - AIR....1999 SC 1416** the Hon'ble Supreme Court held as under: -

"In Departmental proceedings, factors prevailing in the mind of the Disciplinary authority may be many, such as enforcement of discipline or to investigate level of integrity of delinquent or other staff. The standard of proof required in those proceedings is also different from that required in a criminal case. While in Departmental proceedings, the standard of proof is one of preponderance of probabilities, in a criminal case, the Charge has to be proved by the prosecution beyond reasonable doubt."

Thus, the Committee viewed that the said plea of the Respondent is not sustainable.

4.3 As regard the plea of the Respondent that she had already retracted from her Statement made before the Complainant Department, the Committee was of the view that apart from the Respondent's own



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Statement recorded before the Complainant Department, there are other evidences on the basis of which the Respondent has been held guilty by the Committee.

4.4 As regard the other submissions of the Respondent, the Committee was of the view that the same were basically a reiteration of the submissions made by the Respondent during the course of hearing, due cognizance of which has already been taken by the Committee before arriving at its Findings in the instant case.

5. Keeping in view the facts and circumstances of the case, material on record including verbal and written representation on the Findings, the Committee from the list provided by the Complainant Department noted that the Respondent along with Mr. Sandeep Goyal and Mr. Rajesh Arora had registered 81 firms and was involved in the fraud to the tune of Rs. 1,18,10,52,910/- which were registered at different places i.e., 58 firms were registered in Rajasthan, 9 in Delhi, 1 in Uttar Pradesh, 5 at Assam, 2 at Jammu, 3 in Punjab and 3 in West Bengal. The Committee also noted that out of the said 81 firms, the Respondent had accepted that she had created/registered 27 firms and filed return of 10 firms out of the said 27 firms based on the documents available on record.

5.1 The Committee also noted that the Respondent in her submissions before it submitted that at the time of registration of the said firms, she had no idea that the documents provided by clients were fake and further she had not issued any invoices on the basis of which Input Tax Credit (ITC) was availed fraudulently. However, the documents on record including Statements/ Panchama of different persons clearly establish that the Respondent was actively involved along with Mr. Sandeep Goyal and Mr. Rajesh Arora in registering the above firms. Apart from this, the Respondent had easy access to the documents which was evident from recovery of her laptop and mobile phone and which she utilized for doing unethical professional work which is not expected from a Chartered Accountant.

5.2 The Committee was of the view that the Respondent as a Chartered Accountant was having knowledge of various laws including the GST and she was well versed with various Sections and provisions relating to GST law. The Committee noted that she was arrested for the charge of creation of bogus firms. The Respondent not only mis-utilized the documents using invoices but also tried to portray another picture in the mind of the Committee as if she did not know anything about the said fraud. Whereas the fact on records proves that she was an active participant in utilizing the Input Tax Credit (ITC) by creating bogus firms and that too on a very large scale and operated from various States.

5.3 The Committee held that the Respondent not only failed to adhere the KYC Norms and/ or Guidelines issued by the ICAI but also failed to exercise due diligence by creating bogus firms not only in the name of her clients but also in the name of her family members.

5.4 The Committee also noted that the Hon'ble Supreme Court vide Order dated 27th January 2020 granted bail to the Respondent in the Criminal case on humanitarian grounds that she was having a child aged three years without commenting on the merits of the case.

5.5 The Committee on the overall examination of facts based on the documents provided by both parties and while examining the role of the Respondent vis-a-vis her professional and/or other misconduct is of the



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view that the preponderance of probability cannot be ignored which clearly establish the active involvement of the Respondent in the present matter.

5.6 Thus, the Committee held that the Respondent was duty bound to follow the Professional Ethics encompassing the personal and corporate standards of behaviour expected from a Chartered Accountant. But her acts prove that she failed to maintain the high standards of conduct in her Profession and had consequently brought disrepute to the Profession.

5.7 Hence, Professional and Other misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 7th February 2024 which is to be read in consonance with the instant Order being passed in the case.

6. Accordingly, the Committee was of the view that ends of justice will be met if punishment is given to her in commensurate with her Professional and Other misconduct.

7. Thus, the Committee ordered that the name of CA. (Ms.) Himani (M. No. 521974), Jaipur be removed from the Register of Members for a period of 01(One) Year.

Sd/-
(CA. RANJEET KUMAR AGARWAL)
PRESIDING OFFICER


Sd/-
(MRS. RANI S. NAIR, IRS RETD.)
GOVERNMENT NOMINEE

Sd/-
(SHRI ARUN KUMAR, IAS RETD.)
GOVERNMENT NOMINEE

Sd/-
(CA. SANJAY KUMAR AGARWAL)
MEMBER

Sd/-
(CA. COTHA S SRINIVAS)
MEMBER

सही प्रतिलिपि होने के लिए प्रमाणित/
Certified to be true copy


नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
आईसीएआई भवन, विरवास नगर, शाहदरा, दिल्ली - 110032
ICAI Bhawan, Vishwas Nager, Shahdara, Delhi - 110032

Mr. Rajendra Kumar, Addt Director General, Directorate General of GST Intelligence, Jaipur Vs CA. (Ms.) Himani (M. No. 521974), Jaipur

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2023-2024)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No: [PRG/293/18-DD/101/2019-DC/1475/2021]

In the matter of:

Mr. Rajendra Kumar
Additional Director General
Directorate General of GST Intelligence,
Jaipur Zonal Unit, C-62, Sarojini Marg,
C-Scheme
JAIPUR -302001

.... Complainant

Versus

CA. (Ms.) Himani (M. No- 521974)
Plot no. 27, Nand Vihar Colony, Sawai Gaitor,
Jagatpura, Near Terminal-2 Airport
JAIPUR -302001

....Respondent

MEMBERS PRESENT:

CA. Ranjeet Kumar Agarwal, Presiding Officer (In person)
Mrs. Rani Nair, I.R.S. (Retd.), Government Nominee (In person)
Mr. Arun Kumar, I.A.S. (Retd.), Government Nominee (In person)
CA. Sanjay Kumar Agarwal, Member (In person)

DATE OF FINAL HEARING : 09.01.2024

DATE OF JUDGEMENT TAKEN : 23.01.2024

PARTIES PRESENT ON THE DATE OF FINAL HEARING:

Complainant : Mr. Sandeep Payal, Addt. Director, Jaipur
(Through Video Conferencing Mode)
Respondent : CA. (Ms.) Himani (Present physically)
Counsel for Respondent : Mr. Ravi Holani, Advocate (Present physically)
CA. Sandeep Agarwal (Present physically)
CA. Abhishek Singhal (Present physically)

BACKGROUND OF THE CASE:

1. The brief background of the case is as under:
 - a. That the Complainant Department got complaint on 14th July 2018 from one Mr. Om Prakash Chabra, Haryana claiming that someone has misused his PAN for creation of a Firm in Rajasthan.
 - b. That the GST Department found that one Firm in the name of M/s Sidhi Vinayak Trading Company (SVTC), Jaipur with GST registration no. 08AHAPC1953B1Z1 was registered by using PAN details of Mr. Om Prakash Chabra.
 - c. Accordingly, a preliminary investigation was carried out by Anti-Evasion Wing of CGST and Central Excise Commissionerate, Jaipur which revealed as under:
 - (i) SVTC was created on 11/02/2017 by using a copy of PAN of Mr. Om Prakash Chabra and one rent agreement was uploaded for address proof.
 - (ii) That the said rent agreement was between the Respondent and Mr. Om Prakash Chabra for the premises situated at Plot no. 27, F-2, First Floor, Nand Vihar, Sawai Gaitor, Jagatpura, Jaipur.
 - (iii) That on visiting the registered premises by the officers of Complainant Department, it was observed that the same is owned by Respondent.
 - (iv) It was revealed by the Respondent that she was indulged in getting fake firm registered based on IDs provided by one Mr. Nitin Bhardwaj. It was also revealed that the Respondent created more than 20 bogus firms based on fake Id's.
 - d. Mr. Sandeep Goyal and Mr. Rajesh Arora both of Abohar, Punjab were found co-accused along with the Respondent. It was revealed that on their request, the Respondent had provided the rent agreement of her flat as an address proof.
 - e. The Respondent vide her letter dated 24th July 2018 to the Complainant gave the names of 20 such bogus firms which she got registered based on the fake Id's and documents provided by Mr. Nitin Bhardwaj, Mr. Sandeep Goyal and Mr. Rajesh Arora.

- f. In the said letter dated 24th July 2018, she admitted that the said firms got registered based on fake Id's and rent agreements.
- g. It was also revealed that the Respondent had introduced Mr. Sandeep Goyal to one Mr. Dayal Das of Jagatpura, who was allowing to use his premises as address proof on fraudulent rent agreements. She had provided some rent agreements for such bogus firms on temporary basis on the request of Mr. Sandeep Goyal. None of the firms appear to be actually having any business in physical form.
- h. Those firms have been created with a sole purpose of defrauding the Govt. exchequer by issuing fake invoices in Order to pass on irregular ITC (Input tax credit) to their clients.
- i. The Complainant Department took statements of various persons including the Respondent.
- j. The Respondent was arrested on 3rd August 2018 and got the bail on 27th January 2020 from Hon'ble Supreme Court.

CHARGES IN BRIEF: -

2. The Committee noted that the allegations against the Respondent were as under:
 - a. Issuance of invoices without supplying of goods in violation of the provisions of CGST Act, 2017, which has led to wrongful availment or utilisation of input tax credit.
 - b. Availing input tax credit using such invoices or bills on which neither tax has been paid nor goods have been supplied.
 - c. Collecting amount as tax but have failed to pay the same to the government beyond a period of 3 months from the date on which such payments become due.
 - d. Obtaining registration of fake firms on the basis of false information with intent to evade payment of tax due under this act which they have done to defraud the exchequer.

3. The Committee noted that the Respondent in her reply at the stage of PFO had submitted that she was not in a position to submit any defence as she was in judicial custody. She further stated that she was victimised in the matter. She also stated that the Institute may carry its proceedings and she would submit her defence after she would get released from judicial custody.
4. The Director (Discipline) had, in his Prima Facie Opinion dated 26th February, 2021, noted that the Complainant had brought on record the statement of Respondent dated 27th July 2018 and on perusal of the same, it was noted that the Respondent was equally involved in the entire scam and has actively provided documents and guidance to Mr. Sandeep Goyal and Mr. Rajesh Arora. It was observed that the Respondent not only arranged for the Id's and bank accounts for the fake firms but had also utilised her contacts to create fake firms all over India. This shows the enormity of fraud done by the Respondent in connivance with Mr. Sandeep Goyal and Mr. Rajesh Arora resulting in huge losses to Government exchequer. It was also on record that the Respondent had not produced any defence/ evidence / documents on merits in her support.
5. Accordingly, the Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, held the Respondent Prima-facie **Guilty** of Professional Misconduct falling within the meaning of Item (2) of Part IV of First Schedule and Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said items in the Schedule to the Act states as under:

Item (2) of Part IV of First Schedule:

"A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he-

(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work."

Item (7) of Part I of Second Schedule:

"A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he

(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties."

SUBMISSION OF THE RESPONDENT ON PRIMA FACIE OPINION:-

6. The Respondent in her written submissions dated 3rd August, 2021 had, inter-alia, submitted as under:
- a. That on 23rd March 2020, the Government of India declared complete lockdown and, in that sequence, Hon'ble Supreme Court suo moto extended all the date under proceedings still the Institute had issued the letter to give the reply within 14 days.
 - b. The Institute had delivered the letter through Jail Superintendent and directed to file the reply in that condition which was absolutely undesirable.
 - c. The Respondent specifically asked the extension in that abnormal circumstance.
 - d. The Institute on the other hand had provided the opportunity to the Complainant to file the rejoinder which was absolutely mechanical exercise in a wooden manner.
 - e. Even the laptop of the Respondent was seized by the Department and any backup of the information stored in the laptop had not been provided till date.
 - f. The representation was not considered by the Institute in the same way as expressed by the Institute in the letter Ref, No. PR-G/293/18-DD/101/2019AD dated 15th July 2020.
 - g. The entire PFO was liable to be disregarded especially in situation of Supreme Court's Bail Order dated 27th January 2020.
 - h. The Respondent was only giving assistance to file the returns rather involved in setting of business and preparation of books.

- i. The Respondent was not in a position to give reply at this stage except this interim reply because the entire statement as stated by the Department being set of facts was in suspicion in totality and the prima facie opinion of the DC was absolutely mechanical and arbitrary.
- j. She requested to give her time so that after taking due assistance, a proper and reasonable reply could be given.

BRIEF FACTS OF THE PROCEEDINGS:-

7. The Committee noted that the instant case was fixed for hearing on following dates:

S. No.	Date	Status of Hearing
1.	12.05.2023	Part- Heard and Adjourned
2.	18.09.2023	Part- Heard and Adjourned
3.	16.10.2023	Part- Heard and Adjourned
4.	31.10.2023	Part- Heard and Adjourned
5.	09.01.2024	Concluded and Judgment Reserved
6.	23.01.2024	Final decision taken on the case

8. On the day of first hearing held on 12th May 2023, the Committee noted that Mr. Sandeep Payal, Deputy Director, DDGI, was present as an authorized representative on behalf of the Complainant Department through Video Conferencing Mode. The Committee noted that the Respondent vide letter dated 8th May 2023 sought adjournment in the present matter. The Committee, looking into the adjournment request of the Respondent and the fact that this was the first hearing, decided to adjourn the hearing to a future date. With this, the hearing in the matter was partly heard and adjourned.
9. On the day of the second hearing held on 18th September 2023, the Committee noted that Mr. Sandeep Payal, Deputy Director, DDGI, was present as an authorized representative on behalf of the Complainant Department through Video Conferencing Mode.

- 9.1 The Committee noted that the Respondent had sought adjournment vide her email dated 13th September 2023, had raised certain clarifications which are as under and accordingly, sought time for at least 30 to 45 days:
- a. The Department has not pointed out about the authorised persons in the alleged firms and whether the statements of such authorized persons had been taken or not.
 - b. It has neither been mentioned nor evident how the Respondent was associated with Mr. Sandeep Goyal and Mr. Rajesh Arora and to what extent.
 - c. The Department has failed to produce any evidence that the alleged 72 firms were created and operated by the Respondent.
 - d. It is also not established that the bank accounts of said firms including 4 firms which were registered at her address were operated by the Respondent.
 - e. The allegations against Respondent were without any evidence or records.
 - f. The Department has not pointed out the role of Respondent in those alleged firms.
 - g. The Department did not point out the provision of law under which any person is duty bound to verify the id given by the person being his own id.
 - h. The department has not provided the documents/clarifications for the following:
 - i. Statement of CA Ashok Sharma, Guwahati
 - ii. Summons was issued to 3 persons without disclosing their address. Further, all the 3 statements which were recorded were typed and printed, time and place of giving the statement not mentioned.
 - iii. Mismatch in the signature of Mr. Rajesh Arora in Summon vis-a-vis Statement given by him.
 - iv. Difference in Statement and Punchnama of Accountant, Mr. Krishan Kumar Arora.
- 9.2 Thereafter, the Committee asked the Complainant to make his submissions. The Complainant in his submissions had, inter-alia, mentioned as under:
- a. That the Complainant Department had completed their investigation and issued show cause notice to her of Rs 118 crore (approx.)

- b. That the Respondent was in jail for 1 year and 5 months and got bail by the hon'ble Supreme Court in the year 2020.
- c. The Complainant explained the case to the Committee stating that the Respondent along with others created the fake firms, suo-moto generated the fake input tax credit (ITC) and that particular fake ITC was passed on to the existing firms who are there in the market.
- d. That no CA certification is required in creation of firms under GST.

9.3 The Committee posed certain questions to the Complainant to understand the issue involved and the role of the Respondent in the case. The Committee directed the Complainant Representative to serve all the documents submitted with office to Respondent or her authorized representative (informed by Respondent to them).

9.4 The Committee also directed the Complainant Representative to submit the following:

- a. Copy of Initial and additional documents submitted by them to Court.
- b. Copy of charge sheet.

Thereafter, the Committee, in the absence of Respondent, decided to adjourn the case to a future date.

10. On the day of third hearing held on 16th October 2023, the Committee noted that Mr. Sandeep Payal, Deputy Director, DDGI, was present as an authorized representative on behalf of the Complainant Department through Video Conferencing Mode. The Committee further noted that the Respondent's Counsel CA Vishal Pandey was physically present at Delhi Office.

10.1 The Committee noted that Respondent's Counsel informed that though the Respondent was physically present, but she did not want to appear before the bench and did not want to take the oath for want of many documents which have yet to be received from the Complainant and the Office.

- 10.2 The Committee noted that all the papers/documents with the Office received from the Complainant were already served upon her and she had enough documents to prepare and present her case. The Committee gave directions to the Respondent's Counsel to give a letter in writing from the Respondent that she does not want to take the oath.
- 10.3 The Committee also informed the process of the proceedings to the Respondent's Counsel and conveyed its displeasure to him regarding the approach adopted by the Respondent in respect of non-appearance and denial of taking the Oath, which is clearly reflecting that she wanted to delay the proceedings and the same is treated as disrespect to the Disciplinary Committee.
- 10.4 The Committee also informed both parties that the next hearing in this matter will be held in Jaipur on 31st October 2023 and the Respondent is required to be physically present and that hearing will be the last hearing and no adjournment in this regard will be given. With this, the hearing on this matter was partly heard and adjourned.
11. On the day of fourth hearing held on 31st October, 2023, the Committee noted that Mr. Sandeep Payal, Deputy Director, DDGI, was present as an authorized representative on behalf of the Complainant Department through Video Conferencing Mode. The Committee further noted that the Respondent along with her Counsel Advocate, Atul Saxena were present physically at Jaipur Office.
- 11.1 At the outset, the Committee noted that the Respondent was present before it for the first time. Accordingly, the Respondent was administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether she was aware of the charges. On the same, the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against her.
- 11.2 The Presiding Officer apprised the Respondent that the instant case had been fixed thrice earlier and was adjourned in absence/request of the Respondent.

The Presiding Officer also conveyed to Respondent that in the last hearing held at Delhi on 16th October 2023, though the Respondent was physically present, but she did not appear before the bench and did not want to take the oath which is very disrespectful act on the part of the Respondent. The Presiding Officer also conveyed the displeasure of the bench with respect to dealing of instant matter by the Respondent.

11.3 Thereafter, the Complainant was asked to submit his charges. The Complainant in his submissions had, inter-alia, mentioned as under:

- a. That the Respondent had registered a number of firms on the address of her father-in-law.
- b. That around 81 fake firms was registered by the Respondent.
- c. That after completion of investigation, a Show Cause Notice (SCN) was also issued to the Respondent and others.
- d. That there are whatsapp chats between the Respondent and Mr. Sandeep Goyal and Mr. Rajesh Arora which proves their involvement in the registration of these fake firms.
- e. That as per the statement of father-in-law, Respondent had used his address wrongly.
- f. That they had established that the said 81 firms are fake through email id, whatsapp chat, rent agreement and the amount they were getting for these 81 firms.
- g. That Respondent is one of the masterminds in creating the said fake firms.
- h. That other persons involved in the said fraud were also arrested and show cause notice was issued to all of them.

11.4 When the Respondent/her counsel was asked to make her submissions, she had, inter-alia, submitted as under:

- a. That the Respondent has no disrespect towards the Bench.
- b. That her duty was to register the firms on the portal and not to go through the documents.
- c. That she had not created/issued any invoice. Even the Department had not provided any evidence with regard to the same.

- d. That she had submitted letter dated 15th October 2023 after receipt of show cause notice wherein it was mentioned that she had sent various communications to the Department that she had not received all the documents as some pages were missing.
- e. That she had only registered 15-16 firms out of 81 fake firms.
- f. That in Show Cause Notice, the Department had mentioned that the Respondent was involved in registration of 10 firms only but now they are dragging her in all 81 firms.
- g. That she was getting only professional fees for registration of firms under GST/ filing of GST return.
- h. That the statement given by her before the Department was taken by them anyhow therefore she filed retraction to all her statements after receiving the bail.
- i. That she had registered 3 firms at her own address on good faith for short term however no work had been done in the said 3 firms.
- j. That she had registered the firm only on the basis of documents provided by the clients.
- k. That she met with Mr. Rajesh Arora many times for taking his help in the matter related to ITR filing/preparation.

11.5 The Committee posed certain questions to both parties to understand the issue involved and the role of the Respondent in the case. On consideration of the same, the Committee gave directions to the Complainant to submit the following documents in next 10 days:

- a. List of firms involved in the instant matter bifurcating them in firm registered in Jaipur, firms registered in Rajasthan and firms registered outside Rajasthan.
- b. To specify the direct role, indirect role and circumstantial role of the Respondent in relation to those firms in the above stated bifurcations.
- c. Documents relied upon by the Complainant Department to evidence above mentioned role of the Respondent and charges against the Respondent.
- d. Instances where the Respondent's own address/family members address, or other credentials belonged to her were used for registration of firms.

- 11.6 The Committee also gave directions to the Respondent to submit the following:
- a. Total firms floated by her out of 81 firms alleged in the matter.
 - b. To specify her direct role, indirect role and circumstantial role in relation to those firms.
 - c. Form 18 of the firms in which the Respondent is the partner.
 - d. Consent letter given by her to the Firms when she joined as a partner in Chartered Accountant Firms.
 - e. Certification, if any, done by her regarding Input Tax Credit.
 - f. Submission of the Respondent on M/s Balaji Trading and their connection with her Mother-in-law Mrs. Kiran Munjal (mentioned by her during the hearing)
- 11.7 Both the parties were directed to submit a copy to each other. With this, the hearing in the matter was partly heard and adjourned.
12. On the day of the final hearing held on 9th January 2024, the Committee noted that Mr. Sandeep Payal, Deputy Director, DDGI, was present on behalf of the Complainant Department through Video Conferencing Mode. The Committee further noted that the Respondent along with her Counsel Advocate, Ravi Holani, CA. Sandeep Agrawal and CA. Abhishek Singhal were present physically at Delhi Office.
- 12.1 The Committee noted that pursuant to its directions given in hearing held on 31st October 2023, the Complainant provided the list of 81 fake firms floated by the Respondent along with its place of registration, amount of fraud and the role of the Respondent in each firm.
- 12.2 As regards the compliance of its directions given in hearing held on 31st October 2023, the Respondent had also submitted her reply, inter-alia, stating as under:

- a. That there is no allegation and no findings in Show cause notice including PFO regarding that the Respondent was involved in floating such firms.
- b. The Respondent was not concerned with issuing fake invoices, taking or giving orders, financial arrangements, banking transactions or any other business dealings. There is also no evidence in Show Cause Notice with respect to the same.
- c. Merely providing GST consultancy to the extent of registration or filing of return for a short period does not mean that the Respondent was involved in business dealing as carried out by such alleged firms.
- d. There is no allegation that the Respondent was issuing certificates in reference to Input Tax credit, even there is no evidence given by the Department while raising various allegations against the Respondent.
- e. With respect to submission on M/s Balaji Trading and their connection of Ms. Kiran Munjal, the Respondent had submitted that it is well settled law that after issuing Show Cause Notice, it cannot be amended against the assessee. Accordingly, at this stage a new issue cannot be raised against the Respondent.
- f. It is needless to point out that if there is flaw in investigation, it cannot be cured by raising absurd issues or allegations against the assessee/Respondent.
- g. With respect to the query of the Committee, consent letter given by her to the Firms when she joined as a partner in Chartered Accountant Firms, the Respondent had submitted that she was not able to understand under provision of law the same is required.

The Committee further noted that Form 18 submitted by the Respondent was incomplete and was lacking basic details relating to membership number, firm name, partners details, etc.

- 12.3 Thereafter, the Respondent was asked to submit her case on merits. The Respondent/ her Counsel in their submissions had, inter-alia, submitted as under:

- i. That the statements given by the representatives of the firms involved in the fraud before Departmental Authorities were never furnished to her despite of several reminders.
- ii. That when she joined M/s Vinod Garg and Associates as a partner, she was informed that two other partners are yet to be added hence she should mention her details in Form 18 and submit to them and they will fill the remaining details later in the Form.
- iii. That she had not floated any firm out of the said 81 fake firms. She only registered a few of them.
- iv. That it is not her responsibility to investigate whether the ID provided by the clients for registration of firms are fake or genuine.
- v. At present, she is practicing in individual capacity. Mrs. Kiran Munjal (her mother-in-law) was never a partner in any firm and also there is no mention of the same in show cause notice also.
- vi. That Mr. Krishan Kumar Arora, accountant of Mr. Rajesh Arora, had never taken the name of Respondent in the said fraud. He only submitted that he had provided the details of nine firms for filing their return.
- vii. That there is no rent agreement with the firms which were registered at her professional address since the same was used only for a short time.

12.4 The Respondent's Counsel further submitted that since the Respondent had not received the submissions of the Complainant, hence, she was not able to make any comment on the same. On the same, the Committee informed her that the submissions made by the Complainant were not any additional submissions and the same were already in the show cause notice issued to the Respondent by the Department. However, the Committee also directed the office to send a copy of the said submissions of the Complainant to the Respondent.

12.5 Thereafter, the Committee posed certain questions to both the Complainant and the Respondent to understand the issue involved and the role of the Respondent in the case. On consideration of the same, the Committee gave

directions to the Respondent to submit the reply on the submissions of the Complainant within next seven days.

- 12.6 Thereafter, the Committee, looking into the Respondent's submissions against the charges levelled, recorded her plea and accordingly, concluded the hearing by reserving its judgment.
13. Thereafter, this matter was placed in meeting held on 23rd January 2024 for consideration of the facts and arriving at a decision by the Committee. The Committee noted that pursuant to its directions given in previous hearing held on 9th January 2024, the Respondent had submitted her reply on 18th January 2024, wherein she, inter-alia, had stated as under:
- a. That she met with Mr. Rajesh Arora through one of her clients who introduced her to Mr. Sandeep Goyal, who shared his plans of incorporating GST firms with the Respondent.
 - b. That both Mr. Rajesh Arora and Mr. Sandeep Goyal used to send the required details for registration and used to come to her office with the persons whose ID had been sent for registration, hence, she had no reason to doubt their intentions.
 - c. That while residential place of the Respondent was provided for registrations to clients, rent agreement were duly entered into and the same were in fact from part of ICAI records as they have been submitted by the Complainant Department as Relied Upon Documents (RUD).
 - d. That the Respondent had registered only 27 firms out of the said 81 fake firms based on the required documents made available to her by the proprietor of the firm.
 - e. That no certification is involved in the process.
 - f. That GST department had not been able to categorically establish her involvement in raising invoices of any of the single firm or collecting tax for any firm because it was never done by her.
 - g. That Mr. Rajesh Arora and Mr. Sandeep Goyal came with a proposal which could not be taken up by the Respondent as she was a Chartered Accountant in practice hence the same was discussed with her mother in

law who agreed on the same since she saw financial gain in the same and consequently provided her documents for registration.

- h. The Respondent had no role in operating the said firm and her role is based on assumptions.
- i. It is pertinent to note that ledger accounts of various firms were recovered from the premises of Mr. Rajesh Arora and Mr. Sandeep Goyal and not from the premises of the Respondent.
- j. That during interrogation/questioning session, the Respondent gave every detail available with her about the firms registered/return filed on portal and also about Mr. Rajesh Arora and Mr. Sandeep Goyal who were the master minds behind the whole fraud.
- k. That she was made to sign several statements by the Department which was tutored to her with submissions which were not the truth by saying that it is the part of routine work and since the Respondent had duly co-operated with the Department, hence the Department would also help her.
- l. The Respondent also helped the Department to catch hold of the real culprits as Mr. Rajesh Arora and Mr. Sandeep Goyal never told her that they would use these firms for defrauding the Department otherwise she would have never worked with them.
- m. That in Form I, 35 firms were implicated against the Respondent, however, the same had been raised to 81 firms afterwards which is not allowed as per the provisions of Rule 18 of Chartered Accountants Rules 2007.

13.1 Accordingly, keeping in view the facts and circumstances of the case, the material on record and the submissions of the parties, the Committee passed its judgment.

FINDINGS OF THE COMMITTEE: -

- 14. The Committee noted that the whole case is based on investigation initiated by Anti-evasion wing of CGST Commissionerate, Jaipur wherein it was revealed that the Respondent had created and registered bogus firms under the GST on

the basis on fake IDs for her monetary benefit along with Mr. Sandeep Goyal and Mr. Rajesh Arora. The Committee noted that the charges against the Respondent were relating to registration of fake firms on the basis of false information to defraud the Government exchequer and wrongful availment or utilization of input tax credit on the basis of issuance of fake invoices.

15. The Committee noted that the charge sheet filed by the GST Department established the role of the Respondent wherein during the investigation the Respondent revealed she was arranging to procure IDs and preparing forged documents (rent agreements). The Department also alleged that she, in the capacity of being a Chartered Accountant was having easy access to the documents (PAN, ADHAR, Bank Account, and photographs) of various persons in whose name the multiple firms were registered and that too without their consent and knowledge.
16. The Committee further noted that the case is majorly based on the statements recorded by the GST Department wherein it is proved beyond doubt that the Respondent was hand in glove with the other co-accused(s) which ultimately brought loss to Government exchequer. This was also evident from the Show Cause Notice issued/ Charge Sheet filed by the GST Department.
17. Although the Respondent claimed that she was released on bail, however, it is noted that matter is sub-judice and still pending to be dealt with on merits by the Hon'ble Court.
18. The Committee based on the overall examination of facts based on the documents provided by both parties and while examining the role of the Respondent vis-a-vis dealing herein with the professional and/or other misconduct of the Respondent is of the view that the probability of preponderance cannot be ignored which clearly establishes the active involvement of the Respondent in the present matter.

19. The Committee, from the Show cause Notice (SCN) issued by the Complainant Department, noted that the modus operandi in the instant matter is as below:
- a. Fake firms were created based on fake ids and rent agreements.
 - b. Fake ids were provided by Mr. Nitin Bhardwaj who was paid around Rs. 8,000.00 to Rs. 10,000.00 per id.
 - c. For rent agreements, the same were arranged either by the Respondent or by Mr. Dayal Das who admits that he provides his premises on a monetary consideration of around Rs. 5,000 per month despite knowing that no actual business was carried out at the premises.
 - d. It is also emerged that certain rent agreements were again misused and were used to create other bogus firms.
 - e. Similarly certain ids for which payments were made were again misused for the creation of bogus firms.
 - f. The Respondent not only arranged the fake ids for creating/registering the firm(s) but also declared her own house as principal place of business in the registration of certain firm(s).
 - g. These firms were neither having any physical existence nor performing any business activity.
 - h. The actual purpose of creating these bogus firms was to misuse the GST mechanism for claiming ITC on the basis of fake invoices.
 - i. Those firms have been created with a sole purpose of defrauding the Govt. exchequer by issuing fake invoices in order to pass on irregular ITC (Input tax credit) to their clients.
20. The Committee noted that the GST Department had made a detailed investigation into the matter and had also provided a copy of relied upon documents (RUD). On perusal of the same, the Committee noted that the

Complainant Department had taken statements of various persons from time to time in order to substantiate their charges. The details of the same are provided as under:

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Ms. Himani	Respondent	Various submissions regarding involvement in the matter.	27.07.2018 02.08.2018 03.08.2018 17.06.2020
Mr. Sandeep Goyal	Co-Accused	Accepted in his statement that he helped the Respondent in creating fake firms.	02.08.2018 03.08.2018
Mr. Rajesh Arora	Co-Accused	Accepted in his statement that he helped the Respondent in creating fake firms.	02.08.2018 03.08.2018
Mr. Krishan Kumar Arora	Accountant of Co-Accused	Accepted that he raises GST invoices without actual supply of goods on the directions of Mr. Sandeep Goyal and Mr. Rajesh Arora. Provided the GST no's of 66 fake firms whose accounting is done by him.	02.08.2018 07.02.2020

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Nitin Bhardwaj	Co- Accused (One of the clients of Respondent)	Provided fake IDs and documents to Respondent for registration of firms. Admitted that he in total received Rs 1,95,000/- for providing fake IDs from the Respondent.	02.08.2018 13.08.2018
Mr. Dayal Das	Owner of properties which were used for registration of fake firms viz., Jai Ambey Steels, K.K. Enterprises, Raja Enterprises, Mr. Ram Sales Corporation, Kuber International, Gopaljee Traders, Sanwariya Traders, Shree Balaji Traders, Jai Ambey Enterprise	In his statement admitted of providing his properties for rent to only two firms i.e., Raja Enterprises and Jai Ambey Steels, all other rent agreements were forged.	24.07.2018 24.08.2018

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Jugal Rawani	Cook of Mr. Sandeep Goyal	His PAN no, Aadhaar, and Photograph has been misused for creating fake firm M/s Vinayak Trading.	11.09.2018
Mrs Nirmala Gupta	Owner of property on which a fake firm M/s Ganpati Udyog was registered.	Her signatures on the rent agreement were forged.	12.09.2018
Mr. Shishir Agarwal	Registered fake firm M/s Vinayak Trading Company and M/s Shree Ganpati Udyog on the basis of documents provided by Mr. Sandeep Goyal	He never met with the alleged proprietors of the said firms.	20.09.2018
Ms. Arti	Client of Respondent	Her PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged to create fake firm M/s Raj Shree Sales Corporation.	06.12.2018
Mr. Manoj Kumar	Documents misused	His PAN no, Aadhaar and Photograph has been misused for creating fake firm M/s Fateh Enterprise and M/s Manoj Trading Company.	07.12.2018

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Nathu Lal Barwa	Provided the Ids of Mr. Mohan Lal Barwa and Mr. Ram Parsad Barwa to Mr. Nitin Bhardwaj for job related purpose.	His PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged and used for registration of firm M/s Vinayak Trading Company.	10.12.2018
Mr. Mohan Lal Barwa	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged for registration of M/s Gopal Jee Traders	10.12.2018
Mr. Amit Sharma	Cousin of Nitin Bhardwaj	His PAN no, Aadhaar and Photograph has been misused for creating fake firm M/s Sanwariya Traders and M/s Dhanwati Trading Company. His signatures on the rent agreement were forged.	24.12.2018
Mr. Prince s/o Mr. Om Prakash Chabra	Fraudulently shown as proprietor of M/s Sidhi Vinayak,	Not provided his property for rent to the Respondent hence the Rent agreement between his father and Respondent was forged.	01.01.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Krishan Kumar	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged and used in registration of M/s Ashoka Trading Company.	01.01.2019
Mr. Manoj Kumar	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged and used in registration of M/s Gopal Traders.	01.01.2019
Mr. Deepak Bawa	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged and used in registration of M/s Ashok Kumar Ashish Kumar	01.01.2019
Mrs Gora	Neighbour of maid of Respondent	Her PAN no, Aadhaar, Bank account and Photograph has been misused and signatures in rent agreement were forged to create fake firm M/s Geetanjali Trading Company and M/s Jyoti Enterprise.	06.02.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mrs Sapna Khandelwal	Owner of property used as registered address for creating fake firm M/s Suraj Trading Company.	Her signatures on rent agreement were forged.	15.02.2019
Mr. Krishan Airen	Owner of truck whose truck no has been used fraudulently in GST invoice of M/s Balaji Traders	Truck has been caged body specifically fabricated to carry LPG cylinders and the truck had been in contract with IOCL since 2012. Therefore, the said truck is not equipped for transportation of any other type of goods except LPG cylinders.	18.03.2019
Mr. Mukesh Kumar Bohra	Owner of truck whose truck no has been used fraudulently in GST invoice of M/s Gopal Traders	Truck is having open body and is used for transportation of goods in and around Jaipur only.	23.03.2019
Mr. Sudershan Kumar	Father-in-law of Respondent	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating fake firm M/s Balaji Trading Company by the Respondent.	29.03.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Chetan Kumar Patwa	Husband of client i.e. Ms Arti of Respondent	Tenant of the property used as registered address to create fake firm M/s Shiv Shakti Trading Company.	29.03.2019
Mr. Kamal Kumar	His bank account was used fraudulently in M/s Shagun Oil and Agro.	Given Statement that he was fraudulently shown as owner of property used as registered address of M/s Shiv Shakti Trading Company.	01.04.2019
Mr. Neeraj Kaushik	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating fake firm M/s Neelkamal Enterprises	His signatures in rent agreement were forged. He had given his IDs to Mr. Rohit Bansal for becoming member in Khatu Shyam Trust however the same had been misused.	01.04.2019
Mr. Prabhu Singh	Owner of property used for registration of firm M/s Neelkamal Enterprises	His signatures in rent agreement were forged.	01.04.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Shobhraj Sindhi	Rented his property to the Respondent during the period 01.05.2016 to 30.04.2017. However, the said rent agreement was misused to create fake firm M/s Bhagwat Traders as the signatures in rent agreement with M/s Bhagwat Traders were forged.	His signatures were forged in rent agreement used to create the fake firm M/s Maa Chintapurni Enterprises.	05.04.2019
Mrs Deepa Sharma	Owner of property used in registration of M/s Vinayak Trading	Her signatures in rent agreement were forged.	18.04.2019
Mr. Suresh Chand Meena	Owner of property used in registration of M/s Maa Chintapurni Enterprises.	His signatures in rent agreement were forged.	18.04.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Gopal Singh Shekhawat	Owner of property used in registration of M/s Devika Enterprises	However, some other person Mr. Balu Singh had been shown as the landlord of the said property	18.04.2019
Mr. Kartik Bhootra	Had registered a firm under the name M/s Vinayak Pharma and shut down the same in July 2016	Had not surrendered the VAT registration and not migrated in GST. Someone might have migrated it in GST and had operated the same without his knowledge. His PAN card had been misused for creating M/s Bhatia Trading Company. Sign on NOC were forged.	29.04.2019
Mr. Kamlesh Kumar Kumawat	Sales executive in Axis Bank	He stated that he opened bank accounts in the name of M/s Arman Enterprises, M/s Ganga Metals and M/s Shree Balaji Traders after physically verifying the principal place of business. He submitted that he never met with the person who were shown as proprietor in the said firms however since he got instructions from Ms Huma Niaz, Senior Manager in Axis Bank for opening the bank account he opened the same in their absence. He submits that Ms. Huma Niaz have informed him that Mr Sandeep Goyal wants to open 8-10 accounts in their Bank. Hence, he along with Ms. Huma Niaz met with Mr. Sandeep Goyal and all the required documents have been provided by Mr. Sandeep Goyal.	01.05.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Ms Huma Niaz	Branch Manager in Axis Bank	Introduce to Mr. Sandeep Goyal by one of her customers who provided the documents for opening bank account in the name of 5 firms i.e. M/s Arman Enterprises, M/s Ganga Metals, M/s Raja Enterprises, M/s Jai Ambey Enterprises and M/s Shree Balaji Traders.	28.05.2019
Mr. Raman	Neighbour of Mr. Sandeep Goyal	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating firm M/s Sartaj Agrotech. Provided his IDs to Mr. Sandeep Goyal and Mr. Rajesh Arora for opening a bank account however they had informed him that firm is opened in his name. They used to take his sign on cheques and gave him Rs 4000/- per month. Being illiterate he had no idea that they were doing the fraud.	14.06.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Mohan Agarwal	Allowed his address to be used	Issued consent letter to the Respondent for use of his address for registration of fake firms M/s Mohan Trading Company and M/s Devraj Trading Company on receipt of Rs 10000/- per registration.	26.06.2019
Mr. Anup Sharma	Allowed his address to be used	Provided his address for registration of M/s Jai Ambey Enterprises on request of his brother for receipt of Rs 8000/-.	01.07.2019
Mr. Ashok Sharma,	Approached by Respondent for correspondence address for registration of M/s Shiva Agro Sales	He gave his consent letter for the same. Received Rs 18000/- for two registrations.	01.07.2019
Mr. Devendra Singh	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating firm M/s Devraj Trading Company, M/s Hari Om Trading, M/s Jai Ambey Enterprise and M/s Mohar Enterprise by Mr. Sandeep Goyal.	15.07.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Monu Kumar	Documents misused	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating firm M/s Hari Om Trading, M/s Jai Ambey Enterprise, M/s Vibhuti Trading Company and M/s Mohan Trading Company by Mr. Sandeep Goyal.	15.07.2019
Mr. Mukesh Kumar Agarwal	Documents misused	His PAN no, Aadhaar and Photograph has been misused for creating firm M/s Shivam Traders. His signatures in rent agreement were forged.	15.07.2019
Mr. Rahul Ladha	Brother-in-law of Mr. Sandeep Goyal	Accepted that opened bank accounts in name of 5 firms M/s Arman Enterprises, M/s Ganga Metals, M/s Raja Enterprises, M/s Jai Ambey Enterprises and M/s Shree Balaji Traders. Also done transactions in the said accounts, provided cash and invoices to parties on the instructions of Mr. Sandeep Goyal.	30.09.2019

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Bajrang Lal Badaya	Has availed ITC based on the bills received from M/s Ganga Metals	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts. Also paid the GST with applicable interest.	19.03.2019
Mr. Amit Gadia	Has availed ITC based on the bills received from M/s Gopal Traders, M/s Ganga Metals and M/s Shree Balaji Traders	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts. Also paid the GST with applicable interest.	06.08.2019
Mr. Jai Bhagwan Gupta	Has availed ITC based on the bills received from M/s Ganga Metals	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts. Also paid the GST with applicable interest.	05.09.2019
Mr. Akhilesh Kumar	Has availed ITC based on the bills received from M/s Shiva Agro Sales	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts.	30.12.2019

Name of Person	Role in the Instant matter	Brief of submission	Date of Statement recorded
Mr. Manoj Kumar Gattani	Has availed ITC based on the bills received from M/s Balaji Trading	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts. Also paid the GST with applicable interest.	15.01.2020
Mr. Rakesh Bansal	Has availed ITC based on the bills received from M/s Shiva Agro Sales	Had no knowledge that the said bills were forged. Accepted his mistake that he had availed ITC without verifying the facts. Also paid the GST with applicable interest.	17.01.2020
Mr. Mohit Chamariya	Owner of M/s Shiv Shakti Timbers which used to receive invoices from M/s Garvit Enterprise without actual supply of goods	Had no knowledge that the said bills were forged. Admitted to availing fake ITC and paid the GST with applicable interest.	06.01.2021
Mr. Abdul Sattar Khilgi	Owner of M/s Kohinoor steel Traders, M/s New Kohinoor Steel and M/s Shalimar Scrap Traders which used to receive invoices from M/s Garvit Enterprise without actual supply of goods.	Admitted to availing fake ITC and paid the GST with applicable interest.	14.12.2021

Name of Person	Role in the instant matter.	Brief of submission	Date of Statement recorded
Mr. Vinod Kumar Bafna	Owner of M/s Vinod Industries and M/s Vinod Udhog which used to receive invoices from M/s Jai Ambey Enterprises, M/s. Sartaj Agrotech, M/s Rajasthan Oil and Fats and M/s Shiv Agro Sales without actual supply of goods.	Admitted to availing fake ITC and paid the GST with applicable interest.	27.12.2021
Mr. Chetan Vyas	Owner of 4 firms which used to receive invoices from M/s Jai Ambey Enterprises without actual supply of goods.	Admitted to availing fake ITC and paid the GST with applicable interest.	10.01.2022
Mr. Rajendra Saini	Name misused	Tenant of property used in registration of fake firm i.e. M/s N.S. Enterprise.	05.02.2020

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Madan Lal S/o Mr. Subhash Chandra	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating firm M/s Kanipakkam Enterprises	Provided his IDs to Mr. Parveen Bindal (his employer in Abohar) for opening a bank account however they had informed him that firm is opened in his name. They used to take his sign on cheques and gave him Rs 6000/- per month. Being illiterate he had no idea that they were doing the fraud.	07.02.2020
Mr. Kamal Khandelwal	Friend of Mr. Sandeep Goyal (came in contact through common friend however no contact after 2018)	Helped Mr. Sandeep Goyal by delivering cash amounts as per his requirements however denied of having involved in any fraud.	20.09.2022
Mr. Chintu Khurana	Friend of Respondent's brother	Had given the statement that the Respondent has misused the documents provided by him for creation of genuine firms, but the Respondent misused the same for creating fake firms	01.07.2020

Name of Person	Role in the instant matter	Brief of submission	Date of Statement recorded
Mr. Sunil Kumar Batra	Brother-in-law of Mr. Chintu Khurana	Accepted in his statement that the Respondent created fake firm in name of his brother's wife Ms Sonia for which a complaint has also been made to SP, Rohtak Police.	01.07.2020
Mr. Madan Lal S/o Mr. Nanag Ram	Neighbour of maid of Respondent	His PAN no, Aadhaar, Bank account and Photograph has been misused for creating firm M/s Madan Lal Trading Enterprise, M/s Satyam International, M/s Sahil Trading Company and M/s Mahodri Enterprises. His sign in rent agreement were forged.	01.09.2022

21. The Committee further noted that the department also relied upon the WhatsApp chats recovered from the mobile of the Respondent (which was confiscated during investigation) for substantiating the case wherein the details of amount to be paid to the Respondent by Mr. Sandeep Goyal was brought on record for creating firms (which were registered in various states). In addition to this, the WhatsApp Chat of Respondent with Rajesh Arora also revealed that the Respondent not only created bogus firms for Mr. Sandeep Goyal and Mr. Rajesh Arora but also provided these firms for arranging the Input Tax Credit (ITC).

22. The Committee apart from the same noted that the Complainant Department also brought on record the evidence wherein the Respondent registered the fake firm in the name of her family members also and that too without their knowledge and consent.
- 22.1 M/s Balaji trading company (GSTIN: 08ABZPM9885F1ZJ) was registered in the name of her father-in-law, Mr. Sudarshan Kumar and M/s Maa Bhagwati Enterprises (GSTIN: 08AAQPM8932R1ZJ) was registered in the name of her Mother-in-Law, Ms. Kiran Munjal.
- 22.2 In M/s Balaji trading company (GSTIN: 08ABZPM9885F1ZJ) the GST invoice of taxable value of Rs.58,28,35,445/- involving GST amount of Rs. 3,47,87,364/- were issued. In M/s Maa Bhagwati Enterprises (GSTIN: 08AAQMP8932R1ZJ) GST invoice of taxable value of Rs.58,24,91,630/- involving GST amount of Rs. 4,85,70,598/- was issued for availment/ passing of wrongful ITC of Rs.8,33,57,962/- to various end users.
- 22.3 To corroborate the same, the statement of the Respondent dated 17th June 2020 was recorded by the Complainant, wherein the Respondent herself accepted that she misused the documents of her father-in-law and mother-in-law without their knowledge as she was having easy access to their documents because she was filing their Income Tax return from 2014 onwards. The extracts of her submissions are as under:

Question 23: *Kindly peruse the statement dated 29.03.2019 of Mr. Sudershan Kumar, proprietor of M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 (GSTN: 08ABZPM9885F1ZJ), wherein he, inter-alia, stated that you have used his Photo, PAN and Bank details to create fake firm, as you were having access to his documents since you were filing his Income Tax Returns since 2014. Please comment.*

Answer 23: *I have perused the statement dated 29.03.2019 of Mr. Sudershan Kumar, proprietor of M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 (GSTN: 08ABZPM9885F1ZJ) and put my dated signature on the same in token of perusal of the same. I agreed that I have created fake firm M/s Balaji Trading Company, Plot No. –*

202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 (GSTN: 08ABZPM9885F1ZJ) in the name of my father-in-law Mr. Sudershan Kumar without his knowledge and as per the GSTN records, GST invoices of taxable value of Rs. 58,28,35,445/- involving GST of Rs 3,47,87,364/- were issued from the said firm.

Question 24: Kindly peruse statement dated 18.02.2020 of Mr. Sudershan Kumar who appeared on behalf of his wife Mrs. Kiran Munjal, Proprietor of M/s Maa Bhagwati Enterprises, 65, Golden Park, Agra Road, Jaipur- 302017 (GSTN: 08AAQPM8932R1ZJ), wherein, he inter-alia, stated that you have used her Photo, PAN and Bank details to create fake firm, as you were having access to her documents since you were filing his Income Tax Returns since 2014. Please comment.

Answer 24: I have perused the statement dated 18.02.2020 of Mr. Sudershan Kumar, who appeared on behalf of his wife Mrs. Kiran Munjal, Proprietor of M/s Maa Bhagwati Enterprises, 65, Golden Park, Agra Road, Jaipur- 302017 (GSTN: 08AAQPM8932R1ZJ) and put my dated signature on the same in token of perusal of the same. I agreed that I have created fake firm M/s Maa Bhagwati Enterprises, 65, Golden Park, Agra Road, Jaipur- 302017 (GSTN: 08AAQPM8932R1ZJ) in the name of my mother-in-law Mrs. Kiran Munjal without her knowledge and as per the GSTN records, GST invoices of taxable value of Rs. 58,24,91,630/- involving GST of Rs 4,85,70,598/- were issued from the said firm.

22.4 The Committee noted that the Respondent in contradiction to her above admissions in submissions dated 18th January 2024 before it had submitted that:

"Mr. Rajesh Arora and Mr. Sandeep Goyal came with a proposal which could not be taken up by the Respondent as she was a Chartered Accountant in practice hence the same was discussed with her mother-in-law who agreed on the same since she saw financial gain in the same and consequently provided her documents for registration purpose."

22.5 The Committee noted that the Respondent at various stages had contradicted her statements given before GST department vis-à-vis given before it with respect to rent agreement such as regarding providing her own address as principal place of business in various firms. The Committee noted that the

Respondent at one place submitted that rent agreement is for the back portion of her residential place was rented out with due permission of her family members and accordingly, rent agreements were duly entered, however, at other place the submissions of the Respondent given on 17th June 2020 were noted, wherein it is clearly evident that her in-laws were not having any knowledge about the renting of their residential house for such rent agreements.

- 22.6 The Committee while comparing the above submissions of the Respondent vi-a-vis statement of Mr. Sudharshan Kumar (Father-in-law of the Respondent) noted that it is evident that her father-in law was not having any knowledge regarding such let out of their residential house and even was not aware that a firm is registered in his name wherein he is shown as proprietor. Rather he himself admitted in that statement that her daughter in law (i.e., the Respondent) was involved in creating firms with fake Id's. The extract of the statement of Mr. Sudharshan Kumar (Father-in-law of the Respondent) is given for reference:

Question 3: *What do you know about M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107? Are you the proprietor of M/s Balaji Trading Company?*

Answer 3: *I do not know anything about M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 and I have not done any business activity till date from this firm. I am not the proprietor of M/s Balaji Trading Company.*

Question 4: *Kindly peruse the Registration certificate of M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 bearing registration no. 08ABZPM9885F1ZJ, wherein you have been mentioned as proprietor of the said firm and the copy of cheque number 126929 of Account number 32661825900 of State Bank of India, Sector-8, Karnal. Please offer your comments on the same.*

Answer 4: *I have perused the Registration certificate of M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 bearing registration no. 08ABZPM9885F1ZJ and the copy of cheque number 126929 of Account number 32661825900 of State Bank of India, Sector-8, Karnal. I put my dated signature on the above set of documents in token of*

having seen and perused the same. In this regard, I have to state that my photo has been uploaded in the said registration certificate and the PAN on which the said firm has been registered pertains to me only. The account number 32661825900 of State Bank of India, Sector-8, Kamal is the pension account of my wife Mrs. Kiran Munjal wherein I am joint account holder. I am not aware how these details have been uploaded in the GSTN for creating a firm in the name of M/s Balaji Trading Company. I have been to Jaipur only to visit my son Mr. Ankush Munjal who is doing job in Jaipur and is staying with his family in Jagatpura, Jaipur.

Question 5: Do you have any idea how your credentials have been misused for creating and operating a firm in the name of M/s Balaji Trading Company (GSTIN: 08ABZPM9885F1ZJ)?

Answer 5: Ms Himani Munjal, wife of my son Ankush Munjal have been involved in creating firms on the basis of stolen IDs. It appears that she has used my Photo, PAN and Bank account to create fake firm, as she was having access to my documents since she has filed my Income Tax Returns since 2014. Further, I want to clarify that my name is Sudershan Kumar and I am not mentioning my surname "Munjal" in any of the official documents. Also my father's name is Mr. Shiv Dayal and his name has wrongly been mentioned as Shiv Dayal Meena in the GST registration application.

Question 6: It is to mention that from M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 (GSTN: 08ABZPM9885F1ZJ), GST invoices of taxable value of Rs 58,28,35,445/- involving GST of Rs 3,47,87,364/- has been issued. Please offer your comment.

Answer 6: In this connection, I have to state that I do not have any knowledge about M/s Balaji Trading Company, Plot No. – 202, G-1, Mahatma Gandhi Road, JCC, Jaipur- 302107 (GSTN: 08ABZPM9885F1ZJ) and my IDs have been misused by my daughter-in-law Himani Munjal, who created and operated this fake firm and issued GST invoices without my knowledge and consent. Moreover, I have to state that I am having four saving account's viz. A/c no. 3427264549 and A/c no. 3176284252 in Central Bank of India, Sector-7, Kamal, A/c no. 20124647368 in State Bank of India, Sector-8, Kamal, A/c no. 30214512265 in State Bank of India, Main Branch, Kamal. I have not received any proceed from the above said invoices in any of my said accounts. Except this, I am not having any account in my name as per my knowledge. I will submit the copy of bank statements of the above said accounts within 7 days.

- 22.7 Further, the fact of creation of bogus firms is also evident from the various statements on record given by various persons mentioned in para 17 above, that the persons who were shown as proprietor of the firm in such rent agreements were having no knowledge about the firms created in their name and their signatures were forged on documents created for these firms.
- 22.8 The Committee, accordingly, noted that the Respondent for her mischievous activities had misused the documents (even of her family members) by creating bogus firms in wrongful manner so as to receive monetary gains by defrauding the government exchequer as purpose of creation of these firms was wrongful availment of ITC.
23. The Committee noted that various statements of the Respondent were recorded by the GST officials on 27th July 2018, 2nd August 2018 and 3rd August 2018 based on which the instant complaint was made. The Respondent, however, claims to retract the abovesaid statements on 22nd June 2020 claiming that those statements were tendered by her in good faith and under influence/pressure of the Department officials.
- 23.1 The Committee on perusal of the letter dated 22nd June 2020 noted that the retraction statement claimed by the Respondent was rather a reply made by her in respect of summons issued to her by the GST Department.
- 23.2 The Committee noted that even it is presumed to be retraction statement of the Respondent even then it appears to be an afterthought and under legal advice as she was appearing regularly before the trial court during her judicial custody, but she chooses to file her retraction statement after almost a period of 2 years. Further, such retraction filed by her was not on factual grounds and merely relating to obtaining her signatures under pressure by the GST Department in the statements dated 27th July 2018, 2nd August 2018 and 3rd August 2018.

- 23.3 Hence, mere retraction of statements by the Respondent and that too at a later stage cannot be treated as substantiative defence in the matter.
24. The Committee further noted that apart from the statement of the Respondent, there exists statements of various persons (including co-accused) which corroborate the active role of the Respondent in the instant matter. The extracts of statement of Mr. Nitin Bhardwaj are as reproduced as under:

Statement dated 2nd August 2018 of Mr. Nitin Bhardwaj (who provided fake ids) in his statement before the GST officials had inter-alia stated the following:

“Question 2: Please state about your business/occupation.

Reply: I (Mr. Nitin Bhardwaj) am doing work of broker and consultant of Mechanical Machines in NCR (National Capital region) since 2015. Apart from this, I was also indulged in providing Ids to Himani Munjal for creating fake firms against extra consideration.

Question 5: Are you aware that these fake firms which have been created by Respondent are to be used sole for the purpose of issuing fake invoices without supply of goods and leading to fraudulent availment of input tax credit on such fake invoices.

Reply: Yes, I am aware that the fake firms which were created on the basis of Ids provided by me are to be used solely for the purpose of issuing fake invoices without supply of goods and leading to fraudulent availment of input tax credit.”

- 24.1 The Committee further noted from the statements of other persons (brief given in para 17 above) that even the person whose Id's were misused were unaware and even some persons were illiterate and were shown as proprietor in those bogus firms.

24.2 The Committee noted that the Department under its investigation took statement of Mr. Madan Lal S/o Sh. Nanag Ram on 1st September 2022 and noted that five firms were registered under his PAN. As regards the role of Respondent in the matter he (Mr. Madan Lal) mentioned before the Complainant Department as under:

प्रश्न संख्या 9 : - ऊपर आपके द्वारा दिए गए उत्तरों के अलावा क्या आप और कुछ अपने बयान में करना चाहते ?

उत्तर संख्या 9 : मैं ये कहना चाहता हूँ की मुझे श्रीमति निशा रेगर जी की बाँव में मेरी पड़ोसी है न मुझे कहा की वो श्रीमति हिमानी मुंजाल के घर पे काम करती है और कहा की श्रीमति हिमानी मुंजाल PAN कार्ड बनाती है और इसलिए मुझे भी उसने कहा की मैं भी श्रीमति हिमानी मुंजाल से PAN कार्ड बनवा लूँ । फिर मैंने श्रीमति निशा को अपना PAN कार्ड बनवाने के लिए अपना BAO-HAR बैंक खाता और फोटो दे दी और PAN कार्ड बनवा लिया । मैसर्स मदन लाल ट्रेडिंग इंटरप्राइजेज [08AWAPL5651Q1ZZ], सत्यम इंटरनेशनल [07AWAPL5651Q1ZL, 07AWAPL5651Q2Z0] साहिल ट्रेडिंग कंपनी [08AWAPL5651Q2ZY], महोदरी इंटरप्राइजेज [04AWAPL5651Q1Z5] के पंजीकरण विवरण देख के मैं कह सकता हूँ की मेरे PAN, आधार, बैंक खाता और फोटो का दुरुपयोग श्रीमति हिमानी मुंजाल द्वारा फर्जी फ़र्म बनाने में किया गया है तथा मेरा इन सभी फ़र्मों से कोई संबंध नहीं है । इन सभी फ़र्मों के पंजीकरण में दिखाया गया बैंक खाता - 00000036157451197 जो की SBI BANK, वैशाली नगर का है वो खाता मेरा ही है। जिसका दुरुपयोग श्रीमति हिमानी मुंजाल द्वारा फर्जी फ़र्म बनाने में किया गया है ।

24.3 The Committee from the above noted that it appears that the Respondent misused the documents given to her in good faith for application for preparation of PAN for a different purpose without the knowledge and consent.

24.4 The Committee further noted that the Respondent failed to bring on record any evidence that other persons who had given their statements before the GST officials had also retracted their statements.

25. The Committee further noted that the Respondent apart from giving statements 27th July 2018, 2nd August 2018 and 3rd August 2018, had also submitted letter dated 24th July 2018 and 30th July 2018 to the GST Department wherein she had accepted regarding creation of fake firms. The Committee noted that the

Respondent in letter dated 24th July 2018 had submitted list of 20 firms registered by her. Further, she in that letter had also admitted that:

All the above firms have been registered under fake documents and IUs for Jaipur City. I will provide the complete addresses and other related documents used in getting those firms registered within 3-4 days, the above firms have been mainly registered for supply of goods falling under HSN Code 72, 74, 39 and 12 besides the registration. I have also filed GSTR-3B for some of the above firms on the basis of Summary Provided by Mr. Sandeep Goyal through mail, I can provide you hard copy of such returns. The User ID and passwords of all above firms are available with myself, Shri Nitin Bhardwaj & Co. Krishan accountant of Mr. Sandeep Goyal. I am not aware who is filing returns of remaining firms, as per my knowledge all documents, invoices and other relevant information must be available with Mr. Sandeep Goyal at abohar and one premises at Vaishali Nagar. I will provide the address of this premises by tomorrow.

During today's visit of departmental officers, I was available at my premises with a laptop of Dell brand and a file pertaining to rent agreements in respect of some of the firms registered and on the directions of the departmental officers, I have submitted the laptop and file to the departmental officers.

Sir, I know I have been involved unintentionally in improper activities and I am really sorry and regret my such action. I assure you to fix a meeting with Shri Sandeep Goyal his Partner Rajesh Arora of abohar at Jaipur by the end of this week. Shri Nitin might not come over to Jaipur but I will provide his complete address of Gurgaon by tomorrow.

Sir I assure you to Cooperate in this matter and regret my involvement and I also assure that I will never get involved in such matter henceforth.

- 25.1 The Committee further noted that vide letter dated 30th July 2018, the Respondent disclosed 11 more firms registered by her/ other consultants. The Committee, from perusal of the said letter, noted that the firms were registered in various states namely, Jammu and Kashmir, West Bengal, Gujarat and Assam.
- 25.2 The Committee also noted that the Respondent in her so claimed retraction statement dated 22nd June 2020 had mentioned that her statements dated 27th July 2018, 2nd August 2018 and 3rd August 2018 were taken under coercion/ compulsion and the statements were signed under pressure. The Committee noted that the Respondent had not mentioned about the above-mentioned letters, which were submitted to the Complainant Department by herself.

25.3 The Committee noted that letters issued on 24th July 2018 and 30th July 2018 proves that the Respondent admitted that she had registered firms on the basis of fake documents and IDs and also assures that she will co-operate in this matter with the Department and will never get involved in such matter henceforth.

26. The Committee further noted that the Complainant had brought on record a list of 81 bogus firms mentioning the direct/indirect involvement of the Respondent in the creation/registration/return filing of the firms along with amount of wrong availment/utilization of ITC.

26.1 The excerpts of the some of the firms which were admitted by the Respondent in her statement dated 2nd August 2018 are as under:

S. No.	Name of Fake Firm (M/s)	ITC availed/ utilised as per GSTR-3B	ITC passed on Max of GSTR3B/ GSTR-1 and Sales Ledger	Role of the Respondent
1.	Maa Bhagwati Enterprises, 08AAQPM8932R1ZJ	37,70,642	4,85,70,598	<ul style="list-style-type: none"> Registered on PAN of Mrs Kiran Munjal, mother-in-law of CA Himani . CA. Himani In her statement dated 17.06.2020 admitted to having misused Photo, PAN and Bank Account of her mother-in-law in creating and operating this fake firm. It is also pertinent to mention that the accounts of this firm were not maintained by Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh

				<p>Arora as the ledger of the said firm was not recovered from him during the search conducted at his office on 02.03.2018. Hence, it is evident that this firm was created and operated solely by CA. Himani Munjal.</p> <ul style="list-style-type: none"> • It is one of the fake firms where CA Himani also involved in issuance of bogus GST invoices
2.	Ganga Metals, 08GXRPS7056C1ZT	4,24,41,9 08	4,35,39,471	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. • CA Himani registered this firm on her office address i.e. 'Shop No. 83, 3rd floor, Gold Souk Mall, Jagatpura Road, Malviya Nagar, Jaipur'. • Mr. Sunil Kumar Batra, brother-in-law of Mr. Chintu Khurana, in his statement dated 01.07.2020 admitted that CA Himani created this fake firm in the name of his brother's wife Ms Sonia for which a complaint for such forgery has also been made to SP, Rohtak Police. • Mr. Chintu Khurana, friend of CA Himani 's brother i.e Mr. Kamal Juneja, in his statement dated 01.07.2020 admitted that CA Himani has misused documents provided by him for genuine firms for creating fake firms.

3.	Om Trading Company, 07CGRPD5078G1Z3	1,89,76,8 06	2,65,06,123	CA Himani in her statement dated 02.08.18 admitted having created the firm.
4.	Siddhi Vinayak Trading Co., 08AHAPC1953B1Z1	-	2,26,95,631	<ul style="list-style-type: none">• CA Himani in her statement dated 2.08.18 admitted having created the firm.• CA Himani registered this firm on her residential address i.e. 'Plot No. 27, F-2, Nand Vihar Colony, Sawai Gaitor, Jagatpura, Jaipur.• Mr. Sunil Kumar Batra, brother-in-law of Mr. Chintu Khurana, in his statement dated 01.07.2020 admitted giving documents to Mr. Chintu Khurana for registration of genuine firm which has been misused by CA Himani .• Mr. Chintu Khurana, friend of CA Himani 's brother i.e., Mr. Karnal Juneja, in his statement dated 01.07.2020 admitted that CA Himani has misused documents provided by him for genuine firms for creating fake firms.
5.	Hari Om Trading Company 24APCPB8350F1ZC	-	1,95,06,117	CA Himani in her statement dated 2.08.18 admitted having created the firm.
6.	Ashok Kumar Ashish Kumar, 08BPFPB9161L1ZM	1,57,45,6 70	1,94,39,657	<ul style="list-style-type: none">• CA Himani in her statement dated 2.08.18 admitted having created the firm.• Mr. Chintu Khurana, friend of CA Himani 's brother i.e., Mr. Kamal Juneja, in his statement dated 01.07.2020 admitted that CA Himani has misused documents provided by him for genuine firms for creating fake firms.

7.	Arman Enterprises, 08AZQPD9412L1ZW	1,28,18,6 28	1,27,95,132	<ul style="list-style-type: none">•CA. Himani in her statement dated 2.08.18 admitted having created the firm.
8.	Devraj Trading Company, 18ESWPS3029H1Z0	64,88,315	1,13,88,554	<ul style="list-style-type: none">•CA Himani in her statement dated 2.08.18 admitted having created the firm.•Mr. Mohan Agarwal, CA in his statement dated 26.06.2019 admitted that he has been approached by CA Himani asking communication address for the purpose of GST Registrations of two of her clients in Assam.
9.	Gopal Traders, 08DLVPM5942J1Z8	1,05,59,3 76	1,05,47,479	<ul style="list-style-type: none">• CA Himani in her statement dated 2.08.18 admitted having created the firm.•Mr. Chintu Khurana, friend of CA Himani 's brother i.e., Mr. Kamal Juneja, in his statement dated 01.07.2020 admitted that CA Himani has misused documents provided by him for genuine firms for creating fake firms.
10.	Jay Ambey Enterprises, 08CWZPK6357B2ZY	31,39,400	1,04,25,338	<ul style="list-style-type: none">• CA Himani in her statement dated 2.08.18 admitted having created the firm.• Mr. Dayal Das in his statement dated 24.08.2018 admitted that CA Himani approached him to take on rent his two shops situated at 'D-62 and D-63, Sidhart Nagar, Gaitor, Jagatpura, Jaipur' for which she offered Rs.5,000/- for each firm; that he entered into rent agreement with Himani for 2 firms.

				only and other rent agreements are forged.; that she also created firm on her other property i.e., 'H.No. 1961, Manoharpura Kacchi Basti, Jagatpura, Jaipur' which is never given on rent to any firm.
11.	Vinayak Trading Company, 24JCIPS1688P1ZJ	95,26,625	99,75,672	CA Himani in her statement dated 02.08.18 admitted having created the firm.
12.	Raja Enterprises, 08EMWPK9518P1Z Q	1,01,90,7 16	95,22,826	<ul style="list-style-type: none"> •CA Himani in her statement dated 2.08.18 admitted having created the firm. •Mr. Dayal Das in his statement dated 24.08.2018 admitted that CA Himani approached him to take on rent his two shops situated at 'D-62 and D-63, Sidhart Nagar, Galtor, Jagatpura, Jaipur for which she offered Rs.5,000/- for each firm; that he entered into rent agreement with Himani for 2 firms only and other rent agreements are forged.; that she also created firm on her other property i.e. 'H. No. 1961, Manoharpura Kacchi Basti, Jagatpura, Jaipur which is never given on rent to any firm.
13.	Jay Ambey Enterprise, 18JCIPS1688P1ZC	33,51,598	71,60,720	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. •Mr. Anup Sharma, CA in his statement dated 01.07.2019 admitted that he has been approached by CA Himani asking

				for communication address for the purpose of GST Registrations of two of her clients in Assam.
14.	Namdev and Sons, 08IMWPS6299M1ZC	71,55,538	70,77,899	CA Himani in her statement dated 2.08.18 admitted having created the firm.
15.	Gopal Ji Traders, 08CXPPBO861C1Z P	68,08,950	67,77,504	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. • Mr. Dayal Das in his statement dated 24.08.2018 admitted that CA Himani approached him to take on rent his two shops situated at 'D-62 and D-63, Sidhart Nagar, Gaitor, Jagatpura, Jaipur for which she offered Rs.5,000/- for each firm; that he entered into rent agreement with Himani for 2 firms only and other rent agreements are forged.; that she also created firm on her other property i.e. 'H. No. 1961, Manoharpura Kacchi Basti, Jagatpura, Jaipur which is never given on rent to any firm. • Mr. Nitin Bhardwaj admitted in his statement dated 02.08.2018 to have provided IDs to CA Himani for creating fake firms.
16.	Mr. Jyoti Enterprises, 19CNMPG5943H1Z L	-	65,39,136	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. • Mrs Gora w/o Mr. Madan Lal Proprietor in her statement dated 01.09.2022 admitted that she provided his ID, Photograph, PAN

				to Mrs Nisha Raigar who use to work as house maid at house of CA Himani for getting PAN card and these documents has been misused by CA Himani .
17.	Vibhuti Trading Company, 01BGOPM0516L1ZI	-	65,12,250	CA Himani in her statement dated 2.08.18 admitted having created the firm.
18.	Manohar Enterprises, 01ESWPS3029H1ZF	-	65,10,762	CA Himani in her statement dated 2.08.18 admitted having created the firm.
19.	Gravit Enterprises, 08HLQPS0037H1ZO	98,30,976	63,99,874	CA Himani in her statement dated 2.08.18 admitted having created the firm.
20.	Mohan Trading Company, 18BGOPM0516L1Z3	54,08,240	54,12,400	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. • Mr. Mohan Agarwal, CA in his statement dated 26.06.2019 admitted that he has been approached by CA Himani asking communication address for the purpose of GST Registrations of two of her clients in Assam.
21.	KK Enterprises, 08APCPB8350F1Z6	63,80,900	49,69,185	<ul style="list-style-type: none"> • CA Himani in her statement dated 2.08.18 admitted having created the firm. • Mr. Dayal Das in his statement dated 24.08.2018 admitted that CA Himani approached him to take on rent his two shops situated at 'D-62 and D-63, Sidhart Nagar, Gaitor, Jagatpura, Jaipur for which she offered

				Rs.5,000/- for each firm; that he entered into rent agreement with Himani for 2 firms only and other rent agreements are forged.; that she also created firm on her other property i.e., 'H. No. 1961, Manoharpura Kacchi Basti, Jagatpura, Jaipur' which is never given on rent to any firm.
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26.2 The excerpts of the firms which were not admitted by Respondent in her statement dated 2nd August 2018 are as under:

S. No	Name of Fake Firm (M/s)	ITC availed/utilised as per GSTR-3B	ITC passed on Max of GSTR3B/ GSTR-1 and Sales Ledger	Role of the Respondent
1.	Madan Lal Trading Enterprises, 08AWAPL56 51Q1ZZ			Mr. Madan Lal, Proprietor in his statement dated 01.09.2022 admitted that he provided his ID, Photograph, PAN to Mrs. Nisha Raigar who use to work as house maid at house of CA. Himani for getting PAN card and these documents has been misused by CA. Himani.

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2.	Mahananda Trading Company, 08BWLPK59 81N1ZL			Mr. Dayal Das in his statement dated 24.08.2018 admitted that CA Himani approached him to take on rent his two shops situated at 'D-62 and D-63, Sidhart Nagar, Gaitor, Jagatpura, Jaipur' for which she offered Rs.5,000/- for each firm; that he entered into rent agreement with Himani for 2 firms only and other rent agreements are forged.; that she also created firm on her other property i.e. 'H.No. 1961, Manoharpura Kacchi Basti, Jagatpura, Jaipur' which is never given on rent to any firm.
3.	Shiv Shakti Trading Company 08GGIPS049 7B1Z4	9,64,36,547	11,71 57 820	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement dated 02.08.2018 that he used to raise invoices and sent the details to CA. Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.
4.	Ever Shine Metal Company		11,58,62,927	Mr. Sandeep Goyal and Rajesh Arora admitted in their statement dated

	07GKPPS4684 P1ZS			03.08.2018 that Ms. Himani look after filing of GST return of the firms managed by them.
5.	Shivam Traders 08ACAPA6698 J1ZC		7,54,11,409	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement dated 02.08.2018 that he used to raise Invoices and sent the details to CA Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.
6.	Jay Ambey Enterprises 07BGOPM051 6L1Z6	4,86,83,696	5,47,93,224	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement dated 02.08.2018 that he used to raise Invoices and sent the details to CA. Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.
7.	Mr. Balaji Traders 08GUUPS008 0N2ZM	4,17,78,034	4,27,18,514	Mr. Sandeep Goyal and Rajesh Arora admitted in their statement dated 03.08.2018 that Ms. Himani look after filing of GST return of the firms managed by them.
8.	Suraj Trading Company 08FWYPS630 7B2ZY	19,39,424	3,90,82,969	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement

				dated 02.08.2018 that he used to raise invoices and sent the details to CA. Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.
9.	G.S. Enterprises 08AJKPM8139 P2ZA		3,59,58,501	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement dated 02.08.2018 that he used to raise invoices and sent the details to CA. Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.
10.	Sat Trading Company 07BGFPM399 1J1ZY	1,78,86,710	2,87 23 825	Mr. Krishan Kumar Arora, Accountant of Mr. Sandeep Goyal and Rajesh Arora admitted in his statement dated 02.08.2018 that he used to raise invoices and sent the details to CA Himani for GSTR-3B as per direction of Mr. Sandeep Goyal and Rajesh Arora.

26.3 The Committee noted that the statements of other persons clearly proves that the active involvement of the Respondent in the matter and she has simply relied upon the documents/facts submitted by other parties. Before filing GSTR -3B, she should confirm/verify the material facts given in documents submitted by other parties. In her defense, she further was not able to produce any engagement letter/consent letter from the respective clients before accepting the professional assignment.

26.4 The Committee noted from the list provided by the Complainant Department that the Respondent along with Mr. Sandeep Goyal and Mr. Rajesh Arora had registered 81 firms and was involved in the fraud to the tune of Rs. 1,18,10,52,910/- which were registered at different places i.e., 58 firms were registered in Rajasthan, 9 in Delhi, 1 in Uttar Pradesh, 5 at Assam, 2 at Jammu, 3 in Punjab and 3 in West Bengal.

26.5 The Committee noted that out of the said 81 firms, the Respondent had accepted that she had created/registered 27 firms and filed return of 10 firms out of the said 27 firms based on the documents available on record.

The Committee also noted that the Respondent in her submissions before it submitted that at the time of registration of the said firms, she had no idea that the documents provided by clients were fake and further she had not issued any invoices on the basis of which ITC is availed fraudulently. However, the documents on record including statements/ panchnama of different persons clearly establishes that the Respondent was actively involved along with Mr. Sandeep Goyal and Mr. Rajesh Arora in registering the above firms. Therefore, she has not exercised due diligence and grossly neglected in the conduct of her professional duties which she should have performed while doing GST compliances.

26.6 The Committee noted that the statement of Respondent dated 2nd August 2018 recorded by Complainant Department, wherein in response to question asked from her that if she was aware about the issuance of fake invoices which involves huge amount of fake input tax credit i.e., Rs 10,85,26,176/-. The extract of her reply is reproduced as under:

"I have perused the details of invoices raised by the above firms and I agree with the same. I admit that I have got registration for the above firms which have issued the invoices involving tax amount of Rs 10,85,26,176/-. But I have not issued the invoices. However, I am aware that the invoices have been issued by Mr. Sandeep Goyal and Mr. Rajesh Arora only. Mr. Nitin Bhardwaj is not involved in issuance of invoices from these firms and his role is limited to

providing IDs only for eight firms out of total thirty five firms created by me. I am also aware that the firms are being misused for evading the GST by Mr. Sandeep Goyal and Mr. Rajesh Arora."

- 26.7 The Committee from the above facts also noted that it is clear beyond doubt that the Respondent was aware of the purpose for which such firms are created. The said act of the Respondent is not expected from a professional who is required to exercise necessary due diligence and caution.
- 26.8 It is pertinent to note that the bail was granted on the ground that she was having a child aged three years, and the Hon'ble Supreme Court granted bail without commenting on the merits of the case.
- 26.9 However, the Respondent in her written submission dated 18th January 2024 portrays another reason for the release by submitting that the Supreme court during the hearing said that the lady should not suffer more now, so granted bail to her immediately.
- 26.10 The Committee on perusal of Order of Hon'ble Supreme Court noted that the above-mentioned reason was not mentioned anywhere in the said Order.
27. The Committee further noted that to avoid legal complications she should have ensured the compliance of the regulations and assist her clients in complying with the provisions of the Act. The Committee noted that diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis. However, in the present case the Respondent, instead of fulfilling the requirements of the assignment in legal manner, choose to involve herself in the activities by misusing her professional knowledge to manipulate the provisions of GST Act. Hence, the Committee observed that the Respondent not only failed to exercise due diligence but at the same was grossly negligent while performing her professional assignments as she is apparently found to be actively involved. Therefore, the Respondent is held Guilty of Professional misconduct

falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

28. The Committee noted that the Respondent as a Chartered Accountant was having knowledge of various laws including the GST and she was well versed with various sections and provisions relating to GST law. Apart from this, the Respondent had easy access to the documents which was evident from recovery of her laptop and mobile phone and which she utilized for doing unethical professional work which is not expected from a Chartered Accountant. The Respondent being a qualified Chartered Accountant was having knowledge of all the repercussions of violating the GST Act and rules framed thereunder, she was arrested in the creation of bogus firms. The Respondent not only mis-utilized the documents using invoices but also tried to portray another picture in the mind of the Committee as if she did not know anything about the said fraud. Whereas the fact on records proves that she had an active participant in utilizing the ITC by creating bogus firms and too on a very large scale and operated from various states.
29. The Committee further noted that the Institute of Chartered Accountants of India (ICAI) w.e.f. 1st January 2017 had issued KYC (Know Your Client) norms to be mandatory adhered by the all the members of ICAI, who are in practice. The Respondent, being a professional in practice, was mandatorily required to adhere with the KYC norms issued by the ICAI. However, in the instant matter she not only failed to adhere the KYC Norms and/ or guidelines issued by the ICAI but also failed to exercise due diligence by creating bogus firms not only in the name of her clients but also in the name of her family members.
30. The Committee further noted that the ethical requirements of any accountancy body should be based on integrity, objectivity, independence, confidentiality, high technical standards, professional competence and, above all, on ethical behaviour. The Committee found that as a Chartered Accountant, the Respondent was required to maintain these high standards of conduct in her professional capacity. A professional must live upto the expectation of trust and dignity as reposed in the Chartered Accountant by the Society at large.

The Respondent was duty bound to follow the Professional ethics encompassing the personal and corporate standards of behaviour expected from a Chartered Accountant. But her acts prove that she failed to maintain the high standards of conduct in his profession and had consequently brought disrepute to the profession. Therefore, the Respondent is held Guilty of Other misconduct falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

31. The Respondent knowingly provided false information to the Disciplinary Committee and suppressed the material facts/ information at various stages of the disciplinary proceedings. The Respondent tarnished the highly respected profession of Chartered Accountancy by being part and parcel of the criminal act for which she was also sentenced to imprisonment.

CONCLUSION

32. In view of the above observations, considering the submissions of the Respondent and documents on record, the Committee holds the Respondent **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (2) of Part IV of First Schedule and Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

Sd/-

(CA. RANJEET KUMAR AGARWAL)
PRESIDING OFFICER

Sd/-

(MRS. RANI NAIR, I.R.S. RETD.)
GOVERNMENT NOMINEE

Sd/-

(MR. ARUN KUMAR, I.A.S, RETD.)
GOVERNMENT NOMINEE


Sd/-

(CA. SANJAY KUMAR AGARWAL)
MEMBER

DATE: 07/02/2024

PLACE: NEW DELHI

प्रमाणित सच प्रमाणित / Certified true copy


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